

## FARMINGTON CITY – CITY COUNCIL MINUTES

**JULY 20, 2021**

### **WORK SESSION**

*Mayor Jim Talbot,  
City Manager Shane Pace,  
Councilman Shawn Beus,  
Councilman Scott Isaacson,  
Councilwoman Rebecca Wayment,  
City Recorder Heidi Bouck,  
Recording Secretary Deanne Chaston,  
Community Development Director Dave Petersen,*

*Assistant City Manager/Economic  
Development Director Brigham Mellor,  
Finance Director Greg Davis,  
Assistant City Manager/City Engineer Chad Boshell,  
City Attorney Todd Godfrey, and  
City Lobbyist Eric Isom.*

Mayor **Jim Talbot** called the work session to order at 6:10 p.m. City Manager **Shane Pace** offered the invocation. Councilwoman **Amy Shumway** and Councilman **Brett Anderson** were excused.

### **CONTINUING AFFORDABLE HOUSING DISCUSSION**

The work session was held to continue discussing moderate-income housing. Community Development Director **Dave Petersen** addressed the Council and told them how the 10% figure is justified.

The 2017 American Housing Survey had 6,560 total housing units. Of those, 1,390 were affordable, or 21.2%. The number of affordable units occupied by low- to moderate-income households was 705, or 50.7% of the 1,390. According to the Census, there are 925 households of families making 80% of AMI. Looking at all vacant lots and mom and pop establishments, projections for 2050 show an additional 6,307 new housing units, for a total of 12,867 housing units in Farmington. **Petersen** said Farmington will be 211 short, for a total shortfall of 431, or 6.8% of the 6,307 new housing units. The ordinance is proposing to exclude lot splits, or 250 units between now and 2050. So it would be 7.1% instead of 6.8%. City Manager **Shane Pace** said this doesn't account for aging housing, or a fall in housing values due to age.

**Petersen** said the proposed ordinance allows for three options at the discretion of the City Council: open space, affordable housing/fee in lieu, some other benefit, or a combination of the three. There is no open space option for multifamily areas.

State assumptions use 2017 data, and this data may not get updated until 2025. The 2017 data does not reflect the data crunch going on in the state right now. Accurate data would likely be much higher. However, the 10% requirement would probably be enough, even with the housing crisis.

The affordable housing language can give the Council leverage they need for the future. Take, for example, the townhomes proposed west of Commerce Drive. They have the right to do residential in that area, and can do so many if they follow code and the regulating plan. But if they come in with something that doesn't look that great, the Council can choose to ask for 10% affordable housing. If the developer can't meet that with their pro forma, then the Council can ask for a public benefit, especially if they get public outcry. This can improve negotiations with developers. It needs to be deed-restricted affordable housing.

Councilwoman **Rebecca Wayment** asked if the City could open themselves up to potential lawsuits if the Council doesn't apply that leverage fairly. She wanted to know the ramifications. That is why **Petersen** said there is the "some other benefit" clause in the proposed language. For example, making a park larger or saving the City money by offering parking for City use is "some other public benefit."

Councilman **Scott Isaacson** said there has to be some standard, and it can't just be arbitrary. City Attorney **Todd Godfrey** said this could be a regulatory taking analysis, which is muddy law. The deal-making is going to be really important. The way the ordinance sets out the requirement, or the offsets in the ordinance, look to be sufficient. **Petersen** said if the applicant is getting an incentive, it is hard to show damages in the legal system. In 1999, the City was worried about being sued when densities were lowered, allowing room for open space incentives. He said it is hard to show damages when developers get additional units.

**Pace** said the way the ordinance is written now, the 10% is mandatory. He is worried applicants will use all the other options and the City would never end up with any affordable housing.

**Petersen** said deed-restricted Accessory Dwelling Units (ADUs) could be another tool at the Council's disposal. It takes \$150,000 to \$180,000 to build a two-bedroom ADU. Summit County requires a deed-restriction, separate entrance to the home, and owner on-site occupation.

Councilman **Shawn Beus** said Park City requires 15% moderate-income housing, and Farmington is below that at 10%. The Planning Commission has heard this four times, and has recommended the City Council accept this. The Housing Committee was formed a year ago and has looked at various iterations. There is a sense of urgency to get this enacted so the City can see how it works out. This is a hot topic across the country. He said the Davis Community

Housing Authority is interested in coming in as a partner. If the owner accepts the voucher program, there would be guaranteed funding. The Housing Authority would want the first right of refusal after 50 years to come in and buy out the project.

**Petersen** said the Council could look at this as a mandate or an incentive. It could also be a hybrid of an incentive for single-family and a mandate for multi-family. **Mayor Talbot** said the City wants affordable housing, but not necessarily increased density everywhere.

**Godfrey** said the City should continue to present it as a flat 10%, not “up to” 10%. **Beus** would like to keep it as a mandate, and noted Park City’s 15% is a flat requirement. **Wayment** would rather have it as an incentive, although she understands the need for affordable housing.

**Wayment, Isaacson** and **Pace** said they like the hybrid approach.

## **CLOSED SESSION**

*Mayor Jim Talbot,  
City Manager Shane Pace,  
Councilman Shawn Beus,  
Councilman Scott Isaacson,  
Councilwoman Rebecca Wayment,  
City Recorder Heidi Bouck,  
Recording Secretary Deanne Chaston,*

*Community Development Director Dave Petersen,  
Assistant City Manager/Economic Development Director Brigham Mellor,  
Finance Director Greg Davis,  
Assistant City Manager/City Engineer Chad Boshell, and  
City Attorney Todd Godfrey.*

### ***Motion:***

At 6:51 p.m. Councilman **Scott Isaacson** made the motion to go into a closed meeting for the purpose of property acquisition. Councilman **Shawn Beus** seconded the motion, which was unanimously approved.

### **Sworn Statement**

I, **Jim Talbot**, Mayor of Farmington City, do hereby affirm that the items discussed in the closed meeting were as stated in the motion to go into closed session and that no other business was conducted while the council was so convened in a closed meeting.

---

**Jim Talbot**, Mayor

### ***Motion:***

At 7:00 p.m., **Beus** made a motion to reconvene to an open meeting. The motion was seconded by Councilwoman **Rebecca Wayment**, which was unanimously approved.

## **REGULAR SESSION**

*Mayor Jim Talbot,  
City Manager Shane Pace,  
Councilman Brett Anderson,  
Councilman Shawn Beus,  
Councilman Scott Isaacson,  
Councilwoman Rebecca Wayment,  
City Recorder Heidi Bouck,  
Recording Secretary Deanne Chaston,  
Community Development Director Dave Petersen,*

*Assistant City Manager/Economic  
Development Director Brigham Mellor,  
Finance Director Greg Davis,  
Assistant City Manager/City Engineer Chad Boshell,  
City Attorney Todd Godfrey,  
Fire Chief Guido Smith (via Zoom),  
City Lobbyist Eric Isom, and  
Wayne Kartchner, reporter for the Davis Journal.*

## **CALL TO ORDER:**

Mayor **Jim Talbot** called the meeting to order at 7:06 p.m. Councilwoman **Amy Shumway** was excused. Councilman **Brett Anderson** joined the meeting later.

## **Roll Call (Opening Comments/Invocation/Pledge of Allegiance)**

Councilman **Shawn Beus** offered the invocation, and the Pledge of Allegiance was led by **Mayor Talbot**.

## **BUSINESS:**

### **UTOPIA Presentation – Taking Public Comment**

**Mayor Talbot** said this is not a public hearing, but rather an agenda item for gathering information and getting feedback.

Assistant City Manager/Economic Development Director **Brigham Mellor** presented this Utopia agenda item for discussion only. Google Fiber is in 11 cities in the country, including signed deals with Woods Cross and North Salt Lake recently. This includes the cities of Atlanta, Georgia; Austin, Texas; Charlotte, North Carolina; Huntsville, Alabama; Kansas City, Missouri; Nashville, Tennessee; Orange County, California; Provo and Salt Lake City, Utah; San Antonio, Texas; the Triangle region, North Carolina; and West Des Moines, Iowa.

**Mellor** said Utopia has been on the Council's agenda a few times. The City formed a subcommittee on which Councilwoman **Rebecca Wayment** and **Shumway** sat on to set out a plan to try to establish the need for fiber. The item was published in the newsletter and a survey displayed a demand for fiber in Farmington. During the school shutdowns last year, school Farmington City Council, July20, 2021

children were accessing the library's WiFi while sitting in the parking lot. Many didn't have access to the speeds necessary to do their school work. There are already some facilities attached to fiber in Farmington. **Mellor** said the City has met with another company offering a public-private fiber partnership in Idaho. They are not in Utah yet, and their coverages is not as robust.

All new development since 2015 is getting access to fiber, which is greenfield development. Brownfield development is existing residential development and individual lots roughly older than 2013. Fiber will be in the future business park, and **Mellor** wondered if the need for fiber there can be leveraged to help get it to other areas. He said there are only two providers of speeds of 1G or more in Farmington: CenturyLink and Comcast Xfinity. Even Comcast was not available a couple of years ago. He is not sure if wireless services using fixed satellites such as Rise Broadband, Dish, Viasat, Vivint, and Utah Broadband (UBB) will get to a competitive speed soon. Those services can be unreliable if the wind moves the satellite. The City would like to make faster internet speeds available to all residents who want it, and this is an important decision.

**Mayor Talbot** said there will be no decision at this meeting, and the City is in fact-finding mode. There are other providers he would like to meet with in the future.

**Roger Timmerman** (5858 S. 900 E., Murray, Utah), executive director of Utopia Fiber, addressed the Council and public. Chief Financial Officer **Laurie Harvey** and Chief Marketing Officer **Kimberly McKinley** were also in attendance. He said Utopia is not a business, but rather a partnership with cities.

In the first phase of Utopia, the founding members were Brigham City, Layton, Midvale, Orem, Perry, West Valley, Centerville, Lindon, Murray, Payson and Tremonton. **Timmerman** said it did not go well in that first phase. The first phase began in 2004 when Utopia bonded for \$140 million. Between 2004 and 2006, they built in West Valley City, Midvale, Murray, Centerville, Orem, Lindon and Payson. There was then a restructuring of management, followed by a bond refinance and building in Tremonton. In 2008, Utopia built in Brigham City.

Phase 1 included \$185 million in fiber projects, revenues covering operating costs, and cities paying debt. Phase 2 spans \$300 million in projects, revenues covering operating costs, revenues paying off debt, and no cost to participating cities.

In 2010, Phase 2 began when Utah Infrastructure Agency (UIA) was created, and \$65 million bonds were authorized, followed by build out in Centerville. By 2013, UIA revenues exceeded expenses, followed by repeating sustainable growth and increased demand. In 2016, UIA began

issuing dividends to cities. New cities partnered with UIA including Woodland Hills, Layton, Morgan City, West Point, Clearfield, Pleasant Grove and Syracuse. This included Payson financings and an Idaho Falls partnership. Utopia is expanding into the Wasatch Back and Cache Valley. Phase 2 has no subsidies or costs for the cities.

**Timmerman** said Utopia already has a presence in Farmington including at the City offices, Davis County facilities, Davis School District, Farmington High School, Farmington Junior High, and Vista Education Campus. He doesn't expect to see this cost Farmington City anything. The risk is low and the terms are good for Farmington. The economy of scale is in Farmington.

**Timmerman** said Utopia is not an anti-competitive overreach of government. This is a misrepresentation spread by the incumbent duopoly. Utopia enables private companies and a competitive marketplace. Almost all Utah-based internet providers utilize Utopia fiber infrastructure. Utopia public, community-owned fiber infrastructure is available to all private companies including wireless providers and incumbents. In fact, Utopia enables competition. More than 13 service providers depend on Utopia to offer services in the open-access municipal fiber infrastructure. This includes Veracity Networks, brigham.net, XMission, Sumo Fiber, First Digital Telecom, Senawave, Voonami, InfoWest, 1wire, Beehive Broadband, Intellipop, Fibernet, Rise Broadband, CentraCom, Advanced Stream, and Mereio Networks. If a Farmington resident doesn't like one provider, they can switch to another.

Utopia is not just fiber-to-the-home. It also includes service to city offices, city parks, water facilities, Smart City applications, schools, libraries, county facilities, state facilities, and wireless towers. It is not just about streaming video. It is also for critical infrastructure needs such as remote education, remote work, telehealth, Smart City applications, utility metering, smart irrigation, air sensors, smart lighting, wildfire imaging, smart grid, smart transportation, future technologies, business connectivity, educational institution needs and hospitals.

Utopia uses traditional underground installation with directional boring and no microtrenching. This minimizes damage to roads and sidewalks. It also uses hardened facilities such as fiber huts with batteries, generators and redundant cooling, which means it can run indefinitely during power outages. The active network means there is no peak-hour slow-downs, it is future proof, speeds can be guaranteed, and it is best for open access.

Utopia puts subscribers first. There are no consumer privacy violations, weather-caused outages, early termination fees, buffering, overage charges, installation fees, evening slow-downs, provider coverage cherry picking, or speed throttling. **Timmerman** said there is no shared

connection, so the connection never slows down. In addition, it can cover every address in the City.

Utopia offers municipal open-access fiber with private provider broadband. This includes guaranteed 100% coverage, lower cost services, private sector providers, and encouragement of competition and private investment. It solves net neutrality issues such as consumer privacy, caps, throttling, and service prioritization. It eliminates a monopoly, bringing a flood of new fiber broadband options. However, Utopia is lightly regulated, requiring a larger size to attract and support service providers.

Alternately, municipal broadband harms private sector providers, is anticompetitive, replaces private-sector monopoly with a public-sector monopoly, discourages private investment, and is heavily regulated and difficult under Utah Code. New private provider fiber provides coverage only in the best return on investment (ROI) areas, results in new private fiber monopoly, and has continued net neutrality issues.

Utopia would provide 10 GB city-wide across fiber, and 100 GB for businesses. There will be dedicated capacity for every home/business while other fiber providers have a shared capacity, which uses timeslots and splitters to connect groups of customers. It would cost subscribers \$30 a month, on a month-to-month, for the Utopia connection. The City has a financing partnership, and Utopia guarantees the build out, as it is Utopia's debt. Utopia bonds for the project and pays off the bond with the revenue. Utopia takes on all future obligations, so it can grow as the City grows and refresh over time. Utopia's revenues are going up, and they have no stock holders or investors to pay.

Utopia's accomplishments are many. They are the largest open-access network in the United States, with 140,000 available locations. They are the most competitive open-access network in the United States with 15 providers. They are an awardee from 2021 Utah Education and Telehealth Network, with 178 new school circuits. They are the No. 1 provider of air quality sensors in Utah, with 200 active monitoring stations. They are the No. 1 provider of Smart City Solutions in Utah, which includes wildfire detection, public Wi-Fi, and air quality. They have high Net Promoter and Google rating (4.5/5) scores. They were awarded with the Smart 50 Award from Smart Cities Connect Foundations and US Ignite, as well as Broadband Communities top 100 FTTH Award.

In 2020, Utopia had 1.7 million feet of conduit and 1.4 million feet of cable; two new Internet Service Providers (ISPs); three new fully-connected cities; two new cities join the network; 30 footprints released; a 38% increase in daily data use; 20,500 new homes connected; 10,200 new



residential subscribers; 42 Homeowner's Associations (HOAs) completed; and 510 new business connections.

If a city partners with Utopia/UIA, Utopia finances the project, which means it bonds for the project and pays off the bond with no city debt. They receive a portion of subscriber fees to cover operation expenses including electronics replacement, fiber maintenance, utility locating, repairs, backbone interconnectivity, Network Operations Center monitoring, service provider interconnectivity, billing, and marketing. The municipality services the agreement with Utopia with a revenue pledge based on typically a 40 percent take-rate. The entire project is paid for by the voluntary subscription fees of those who choose to sign up for a better and lower cost service than what they have now. The project is financed, designed, built, operated, and maintained by UIA.

No other municipal project brings a more dramatic and immediate change in economic and quality of life improvement than fiber. UIA partnership brings all of the benefits of fiber provider competition, top-rated services, reliability, fastest Internet speeds with no cost, taxes, or subsidies. Utopia results in an average 3.1% increase in property value, protects net neutrality, eliminates the digital divide, and improves quality of life.

**Timmerman** shared the feasibility of Farmington partnering with UIA. He estimated that the UIA project would cost \$15.113 million, which would result in a \$75,565 monthly guarantee with 2,970 subscriptions needed. This would be a 34.8% residential take-rate to cover the guarantee. Compare that to a third-party estimate of \$22.275 million with a 50% take-rate needed to cover the debt, and a standard estimate of \$17.82 million with a 40.1% take-rate. Layton's was \$23 million; Payson's was \$3.5 million; and West Point was \$7.2 million. Utopia will count the significant amount of existing revenue from the City toward that take rate.

There would be some increased costs from materials and labor increases. While the contract terms will be slightly higher to allow financing flexibility, the guarantee is based on actual financing terms. The guarantee is usually in the form of a revenue pledge from an energy franchise.

There are pros and cons to Farmington partnering with UIA. The pros include an existing Utopia fiber backbone and routes in the City, which would result in a faster buildout, faster revenue coverage, and lower project cost. Also, there is strong business revenue potential and especially bad competitive options. Cities similar to Farmington all exceed the take-rate that Farmington would need. Cons include moderate soil conditions, average to high costs for all underground infrastructure, and moderate density. **Timmeran** said that overall, Farmington would be a low-risk project.

Despite such favorable terms, a guarantee is needed because it is a requirement of the other partnering cities. Utopia requires proof of political support in the form of a unanimous City Council vote. These things are used to secure more favorable financing terms. The project would require a 25-year revenue pledge beginning after two years CAPI. Initial revenues buffer against risk while business revenues buffer at 50% and city revenues buffer at 100%. Any shortfall is a loan, to be paid back when revenues are sufficient or at the end of the bond period, whichever is sooner. UIA is obligated to pay for future expansion, additional installations, annexation, upgrades, and all repair and maintenance, all with no guarantee from the City. The take-rate percentage requirement decreases as new homes and businesses are built. With the coming business park, this would be a good time for Farmington to start the partnership.

If Farmington decides to partner with UIA, it could take up to a year to get a detailed fiber proposal and design. A survey and RFP would be optional during this time. It could take two years for project completion, which would include City Council approval, UIA financing of the project, building of the project, and marketing.

**Ed Rhodes** (995 S. 475 W., Farmington, Utah) addressed the Council. He has been a computer programmer since 1979. He said everyone at home needs the Internet and he has been working from home since the earthquake. He moved to Farmington near the high school from Roy two years ago. He said in the past, Roy residents voted against Utopia and he heard if they voted for it or not, residents would have to pay for it. His son in West Point has Utopia and is paying \$90 a month for Internet, which is outrageous. His Xfinity allows a 40MB upload. He was not impressed with the 40,000 subscribers Utopia claimed.

**Brad Bornemeier** (54 S. Main Street, Farmington, Utah) said he is concerned with the spots in the City that have bad internet. He asked if the role of government is to make sure everyone has access to the Internet and if it is as vital as water, gas, and sewer. He would like to see it put on the ballot. He noted Kaysville's recent vote, which indicated the Internet is not considered a utility.

**Roger Mitchell** (1993 W. Hollybrook, Farmington, Utah) moved to Farmington from Layton. He was pleased to see the pricing had not changed in four years. He switched from Comcast to Utopia in Layton, which was refreshing because he was not sharing bandwidth with the surrounding community. Hopefully we all learned from last year when the kids were home while everyone was working from home. From 11:30 a.m. to 12:30 p.m., he couldn't get on the Internet. In Layton while on Utopia, he paid \$30 to Utopia and \$37 to XMission. He supports Farmington partnering with Utopia. He doesn't know any unhappy Utopia customers.

**Juan Sanchez** (74 W. 1340 S., Farmington, Utah) has worked for Internet Service Providers over the years. He is pleased that this would be a dedicated connection rather than shared bandwidth. This option would give the opportunity to attract business and residential customers. Now more than ever, with everyone working from home, Internet has become like a utility, as it is something everyone relies on.

**Nick Nielsen** (843 S. Snowberry Ln., Farmington, Utah) has been a resident of Farmington for six years. He built his home in 2014 near Canyon Creek Elementary School, and Xfinity is the only choice in that area. He is in favor of Utopia after speaking with satisfied residents of other Utopia cities. He feels Farmington residents are in favor of faster Internet and more choices.

**Tyler Lake** (364 Clark Circle, Farmington, Utah) said Internet has become a utility similar to electricity or water, and Farmington residents need faster Internet. He said the newsletter with a favorable Utopia report made it sound like the City Council had already made up their minds. He doesn't want the Council to sell Utopia to the residents; rather, he wants the Council to give residents options. Better options come when more compete for solutions. He asked if Utopia is a for-profit company, to which **Timmerman** replied that it is not. It is a government entity.

**Wayne Kartchner** (396 N. 200 E., Farmington, Utah) a reporter for the Davis Journal, asked about the connection from the public street to residents' homes.

**David Rathbun** (81 Churchill Downs Drive, Farmington, Utah) said he loves the idea of faster Internet and the option to switch providers. Competition is good. Download as well as upload speeds are important to him, as are bandwidth caps. He knows of people who look at Utopia maps when they decide where to move, and he has heard nothing negative about Utopia.

**John Turnbow** (752 Moon Circle, Farmington, Utah) said he thinks the Internet should be looked at in the same way as other utilities. He hits the Xfinity caps every month, and they look for every opportunity to trick subscribers into paying more. He does not like Xfinity's customer service.

**Erich Kocherhans** (708 Woodland Drive, Farmington, Utah) lives on the east bench and said faster internet is sorely needed. The only option he has is CenturyLink, which has not upgraded their lines in 13 years. He has been stuck on 20MB for eight years, and it was just upgraded to 60MB this week. He has rental property in Kaysville where Utopia was recently voted down. His brother in Centerville paid \$3,500 for a Utopia installation fee. He asked if Utopia can get to every home in Farmington.

**Timmerman** said Utopia was never in Roy, so he was not sure what **Rhodes** was referring to. Utopia doesn't force anyone to pay for something that they didn't sign up for. As a subscriber model, only those who sign up for it pay for it. Some cities in Phase 1 had to pay for a bond. Centerville is a member of both Utopia and UIA, and is paying on the original phase, but not on UIA. Utopia has a 4.5-year period to get to the take rate and pay all obligations on the debt. If a project was 2% short of the customer take rate, then this would mean \$3,000 would be owed to Utopia. This would reduce as subscribers increased and the shortfall would be temporary. Demand for Utopia has only increased, outpacing all other technologies. Customers continue to pay even after the bond is paid off, so the City could get paid back at the tail end of the bond. Considering 600 to 800 installations each month, he thought 40,000 subscribers was pretty good.

**Timmerman** said the role of government is to make sure people have critical services, but not compete in private business. Regarding connections from the street to the home, green boxes are installed and an "underground missile" is used through a conduit between the house and sidewalk. Installation 18 to 24 inches below typical sprinkler lines is clean, as it typically does not disturb lawns, flowers, or driveways. Endpoints can get torn up a bit as conduit is pulled. Utopia restoration work is fantastic, as they fix sprinklers, sod and sidewalks. The fiber optic cable comes all the way to a wall in the house, where a router can be installed. **Timmerman** suggested subscribers purchase their own routers. Consumer routers are better than any provider-issued WiFi router, he said.

Regarding installation costs, **Timmerman** said the normal way to sign up for Utopia is the \$30 monthly fiber charge, which is a month-to-month expense. Internet service is typically an additional \$35 per month. If a subscriber would rather pay the one-time \$2,750 installation fee, they would never have to pay the \$30 monthly fiber charge. **Timmerman** said they can get anywhere in the City unless there isn't a utility easement or they are not allowed, such as in an HOA.

**Elggren** addressed the Council via Zoom, saying having competition is good.

**Lori Conover** (469 Quail Run Road, Farmington, Utah) addressed the Council via Zoom, saying she doesn't currently pay for Internet service since she expenses it to her company. The roll out of two years is an eternity, but she is glad to have another choice. She said it seemed the Council had already made a decision about Utopia, and she doesn't want to pay for something if she doesn't want it.

**Mayor Talbot** said Utopia was invited to come and share information with the Council and public, an opportunity he plans to provide for others providing fiber. Utopia has come to Farmington and been aggressive, so the Council decided to give them an audience.

**Angie Walker** addressed the Council via Zoom, saying residents need fiber internet options, especially those who have no other options. She wants the Council to move forward quickly.

**Nicole Green** (1223 N. 1100 W., Farmington, Utah) said she is concerned with the 25-year pledge, as technology can change dramatically in 25 years. She said 25 years ago, we had floppy disks and a phone on the wall. If the City is in a 25-year pledge, how can they embrace something better that comes along in the meantime? Competition will not be encouraged in the future if the City is still paying for the fiber. She noted that Kaysville turned down fiber by a recent vote.

**Scott Walker** (13 W. Sunrise Way, Farmington, Utah) moved to Farmington three years ago and said the biggest downside to living here is that the City has no fiber. He had fiber in Layton for eight years before moving to Farmington, and in that time he only experienced three outages. He said he cannot work anywhere but home now that his office is closed. Comcast has a monopoly in the area, and he would appreciate access to 15 companies. He would like the City to move forward and take this step quickly. He doesn't feel two years is a long time to place fiber in a City. He wants better service than that provided by Comcast, and wants faster speeds.

**Mike Willard** (1414 W. Frost Drive, Farmington, Utah) asked about financing including interest rates, bond terms, and if it is a bond tax or taxable.

**Larry Steinhorst** (947 Oakridge Drive, Farmington, Utah) spoke about Radio Frequency (RF), radio starlink, and future-proofing technology.

**Neal Harris** (2108 Summerwood, Farmington, Utah) said he retired three years ago after working in Silicon Valley with RF and satellite technology. He chaired a steering committee in 2001-2002, where the business model and take rates were the biggest concern. He said the City entering into a business model where take rate is a factor is going to be challenging, and the Utah Taxpayers Association is against it. Cities were harmed in the past because they were obligated. Change is a big barrier, as it is difficult to have homes change out their equipment. He said he hasn't researched Utopia's current business model, although it boils down to who can sell the customer on the price point and speeds. He suggested a committee be convened to dig deeper into the financial and technology aspects. **Mayor Talbot** asked **Mellor** to reach out to **Harris** about the possibility of serving on a committee.

**Zach Pinnau** (175 S 300 E., Farmington, Utah) said Kaysville was trying to do fiber themselves, and that is why they were going to tax everybody. He asked the Council to consider line of site, and spoke about Internet satellite such as the \$100 a month SpaceX, which has a bandwidth cap. Internet is a utility used for education, telehealth, work, smart utilities, smart irrigation, fire

protection, and power. He hates being tied to one Internet provider and having to play their game. He noted that bandwidth and data caps can be used interchangeably, as they have been tonight.

**Timmerman** said he is a big fan of Starlink, which is the best option for unserved, remote rural areas of the country. However, it is awful for those in cities. He said Starlink is planning 40,000 satellites. Considering that the earth is very large, that is maybe six satellites for the space of Utah. This means they will have to cap people and limit the number on the system, and it won't come close to reaching everyone.

He said he has seen a lot of changes over time, as Zoom, Youtube and facebook were not used when Utopia began. Fiber has been the best solution that has stayed ahead of the curve. Fiber is connectivity that can keep up with future demand since it is dedicated with no interference. It is the most safe strategy that can deliver terabyte capacity.

**Timmerman** said the highest city take rate Utopia has seen is 61%, which was finished in February of 2020. The second highest take rate of 59% was Lindon, which he said is representative of Farmington. Woodland Hills is the third highest. The Centerville take rate is 48%. So far the lowest has been Clearfield, which is being built right now and has a 10% take rate.

Utopia issued the debt, not the City. Therefore, Utopia holds the public hearing and does all the financing. It is a tax-exempt bond. The last closing for Utopia was at a 2.7% true interest cost.

**Pace** said Farmington's gross revenue is \$13 million. **Timmerman** said franchise revenue can be used to backstop this type of project, or sales tax revenue can be used to supplement the guarantee of the bond.

Councilman **Brett Andersen** asked if, best-case scenario, Farmington's take rate was 80%, could they pay the bond off earlier? **Timmerman** answered that Utopia would need money on hand to install fiber to future new construction. He said costs and revenues go up together, and it can be a balancing act. Therefore, the 25 years are there perpetually with the possibility of lowering the costs of Utopia services. The goal is to pay off debt, increase services, and lower rates.

**Timmerman** said there is no radiation from fiber, as light going down a piece of glass doesn't emit waves. Regarding the schedule, after the Council votes affirmatively, Utopia would engineer the project. Closing on the bond would take a few months. The first subscriptions would be 10 months down the road for the first areas that could be served. The last area would

be done in 1.5 years. As winters can slow down the process, Utopia preserves two years for a time frame.

**Beus** said he is intrigued with a tech committee, and wants **Mellor** to follow through on that.

**Wayment** told the audience that the Council is still in fact-finding mode. She said she doesn't want this issue kicked further down the road. They have tried to get other presentations, but Utopia is the only one so far who has come to the table willing to build out in existing neighborhoods. She wants to hear from any other fiber providers while also not further delaying a decision.

**Mellor** said that the City could put out a Request For Proposal (RFP) similar to road and garbage projects. He said timing is of the essence as roads through the office park will be under construction in the coming months and years. Station Park already has access to Utopia. Businesses already on Utopia will not count toward the take rate needed in the future. The City would miss the low-hanging fruit if they waited until after the office park is developed. There is no way that developers like Stack, Boyer and Wasatch will go without fiber for their developments. Putting this on the ballot would take 18 months from now. He suggested hiring a polling company to do a more robust and accurate survey.

**Timmerman** said City revenue will count toward the take rate no matter when a Utopia project begins. However, businesses have been financed with other bonds and therefore can't be counted toward the future take rate. Demand is skyrocketing and there will be a lot of opportunity coming in. He warned that there are a lot of problems with Google, which announced projects in Holiday, Woods Cross and Taylorsville. However, that includes only the franchise agreement, not an agreement. Google has no commitments to meet in these three cities. So far, the only Utah Google customers are in Provo and Salt Lake.

**Wayment** said she would like to be aggressive with future RFPs. **Isaacson** said he would like to discuss this before issuing RFPs, as it seems unlikely fiber technology will be in use in 25 years from now. **Timmerman** said this was a similar argument 20 years ago, when it was assumed everything would be wireless. However, fiber has become more important and future-proof.

**Mayor Talbot** closed the Utopia discussion at 9:24 p.m.

## **SUMMARY ACTION:**

### **Minute Motion Approving Summary Action List**

The Council considered the Summary Action List including surplus property. The list included a 1987 Chevrolet 1 ton flatbed unit 302, 2013 Dodge Charger, and 2008 Ford F250. **Mayor Talbot** noted that the 1987 Chevy was Unit 302, not Unit 303 as noted in the packet. **Pace** added that that vehicle had rusted through the floor.

### ***Motion:***

**Beus** moved to approve the Summary Action list items as noted in the staff report.

**Wayment** seconded the motion. All Council members voted in favor, as there was no opposing vote.

## **GOVERNING BODY REPORTS:**

### **City Manager Report**

**Pace** presented the Building Activity Report for June. There is a lot of building going on, and the Community Development Department is busy. **Pace** said he is going to Israel on Thursday, and will be gone for 2.5 weeks. This weekend, Finance Director **Greg Davis** will be in charge. Starting Monday, Assistant City Manager/City Engineer **Chad Boshell** will be in charge the rest of the time.

### **Mayor Talbot and City Council Reports**

**Anderson** said the Internet is a big issue that he would like to figure out a solution for. He would like to get a specialist involved in order to get more information. **Mayor Talbot** said **Neal Harris** has been in the business for years.

**Isaacson** said it is important to do due diligence. However, he doesn't want to reinvent the wheel, believes this has been studied by other cities, and wants to see if there is a consultant that would be available to present their findings. He isn't sure that studying this in a committee is the best thing at this point.

**Pace** said he is waiting on a call back from Google. He cautioned Council members about who they put on a committee, as most come with biases.

**Mayor Talbot** said there is a reason that Utopia got into financial difficulties. Some cities who were with Utopia early on have not dug their way out yet. There are still questions and answers



to be had, such as if Utopia's bond rating is good. The City's could be better than Utopia's. Farmington is going to have to be careful with whoever they go with for high-speed Internet, which is something that the citizens want. He is not convinced that Kaysville went about it in the right way, and Kaysville is a bit different from Farmington. He feels this is one of the top five things on the priority list that Farmington should be focused on.

**Isaacson** wants to get high-speed Internet without too much of a delay. He doesn't think it was effective to survey the citizens about getting high-speed Internet "at no additional cost."

**Wayment** said due diligence should be done to vet all options. The City has talked about this for a long time.

**Mayor Talbot** said going with Utopia would commit the City for 25 years, which is a huge deal as technology changes quickly. He would like the chance to be able to pay off the debt sooner than 25 years. **Isaacson** said he didn't like **Timmerman's** answer during the presentation about paying off debt sooner than 25 years. If Farmington brings in way more than what is needed to pay off the debt, the City wouldn't get credit for it.

**Pace** said that he and **Davis** have been going through Utopia's financials for days, and there are some questions. The debt is not backed by cities or UIA. The differentiation is not clean between UIA and Utopia.

**Wayment** said during road construction citizens should watch for kids on bikes or pedestrians in the road construction area.

**Beus** said the dump trucks going down 1525 are often backed onto the freeway. Because of low staff, mosquito spraying has been a bit behind. Some ponds have tested positive for West Nile virus, but there are no human cases so far this year.

**Mayor Talbot** said there is a staffing shortage at Lagoon as well, as they need 1,000 more employees. They now have top management manning the rides. The City is organizing a big weed control and chipping project to be held Sept. 11.

**Anderson** noted that Salt Lake City has increased police pay by 30 percent. He is afraid that could cause Farmington to lose police officers. **Mayor Talbot** said it has already affected the City. **Pace** said Salt Lake attracts a certain kind of police officer. He said the bigger problem is that Kaysville just raised their entry level police officer position to \$24 per hour, while Farmington's is \$20.87, which is in line with many other cities.

**Mayor Talbot** said he has been involved with Festival Days on a regular basis for 13 years, and he felt this year's went well. It was nice to have additional property to use. He is happy to

report no fire incidents from fireworks so far this year, but cautioned everyone to be careful for Pioneer Day coming up. He encouraged residents to vote in the primary mayoral election on Aug. 10. It is entirely a mail-in vote.

## **ADJOURNMENT**

### ***Motion:***

**Wayment** made a motion to adjourn the meeting. **Beus** seconded the motion, which was unanimously approved.

---

**Heidi Bouck**, Recorder